

Message Text

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ORIGIN EB-07

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-09 ISO-00 COME-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 CIEP-02 DODE-00 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 /131 R

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COMMERCE - R. KAN (PHONE)

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R 082341Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA

AMEMBASSY VIENNA

AMEMBASSY NASSAU

AMEMBASSY BRIDGETOWN

AMEMBASSY BRUSSELS

AMEMBASSY BRASILIA

AMEMBASSY YAOUNDE

AMEMBASSY OTTAWA

AMEMBASSY SANTIAGO

AMEMBASSY BOGOTA

AMEMBASSY COTONOU

AMEMBASSY COPENHAGEN

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E.O. 11652: N/A

TAGS: ENRG

SUBJECT: CONTINUATION OF US EXPORT QUOTAS ON PETROLEUM

REFS: STATE 3172 (1975); STATE 238876 (1975)

1. DEPARTMENT OF COMMERCE ANNOUNCED JANUARY 7, 1976

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CONTINUATION OF EXPORT CONTROLS ON PETROLEUM AND PETROLEUM

PRODUCTS THROUGH FIRST QUARTER 1976. EXISTING LICENSE SYSTEM ADOPTED IN 1974 WITH MODIFICATION NOTED BELOW WILL REMAIN IN FORCE.

2. PROPANE, BUTANE, AND NATURAL GAS LIQUIDS (INCLUDING LIQUIFIED PETROLEUM GAS AND BUTANE/PROPANE MIXTURES) HAVE BEEN TREATED AS A SINGLE PRODUCT FOR EXPORT CONTROL PURPOSES UNDER PETROLEUM COMMODITY GROUP I, WITH A SINGLE QUOTA APPLICABLE TO THE EXPORT OF ALL THREE COMMODITIES. HOWEVER, THESE THREE COMMODITIES ARE NOT FULLY INTERCHANGEABLE: EACH HAS ITS SEPARATE USES, AND SEASONAL FLUCTUATIONS IN DEMAND ARE SIGNIFICANTLY DIFFERENT FOR EACH. MOREOVER, THE FEDERAL ENERGY ADMINISTRATION (FEA) SEPARATELY ALLOCATES PROPANE AND BUTANE.

IN ORDER TO MAINTAIN BETTER CONTROL OVER THE EXPORT OF THESE COMMODITIES, AND TO MAKE POSSIBLE CLOSER COORDIN-

ATION BETWEEN THE PETROLEUM SHORT SUPPLY PROGRAMS ADMINISTERED BY COMMERCE DEPARTMENT AND RELATED PROGRAMS OF OTHER AGENCIES, COMMERCE DEPARTMENT ANNOUNCES SEPARATE QUOTAS FOR EACH OF THESE THREE COMMODITIES, COMMENCING WITH THE FIRST QUARTER OF 1976, AND WILL ISSUE SEPARATE QUOTA ENTITLEMENTS TO EXPORTERS OF THESE COMMODITIES BASED UPON THE COMPLETED AUDITS OF THEIR PAST PARTICIPATION STATEMENTS AND SUPPORTING DOCUMENTATION.

THE USE OF PETROLEUM COMMODITY GROUP I IS BEING DISCONTINUED, AND THREE NEW GROUPS, PETROLEUM COMMODITY GROUPS K, L AND M ARE ESTABLISHED, RESPECTIVELY, FOR BUTANE (SCHEDULE B NO. 341.1025), PROPANE (SCHEDULE B NO. 341.1030), AND NATURAL GAS LIQUIDES INCLUDING LPG AND BUTANE/PROPANE MIXTURES (SCHEDULE B. NO. 341.1040). SUPPLEMENT NO. 2 TO PART 377 OF THE EXPORT ADMINISTRATION REGULATIONS IS BEING REVISED TO REFLECT THESE CHANGES.

EXPORTERS' SHARES OF THE COUNTRY QUOTAS FOR BUTANE, PROPANE AND NATURAL GAS LIQUIDS IN THE FIRST QUARTER HAVE BEEN DETERMINED USING JANUARY 1, 1973, TO MARCH 31, 1973, AS THE BASE PERIOD TO RECOGNIZE SEASONAL FLUCTUATION IN UNCLASSIFIED

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THE USE OF THESE PRODUCTS. THE PERIOD FROM JANUARY 1, 1971 THROUGH JUNE 30, 1973, REMAINS THE BASE PERIOD FOR FIRST QUARTER EXPORT QUOTAS OF ALL OTHER ENERGY-RELATED PETROLEUM PRODUCTS, EXCLUDING CARBON-BLACK FEED STOCK OIL, MANUFACTURED GAS AND SYNTHETIC NATURAL GAS, WHICH WILL CONTINUE TO BE LICENSED FOR EXPORT WITHOUT QUANTITATIVE LIMITATION AGAINST CONTRACTS CALLING FOR SHIPMENT DURING THE FIRST QUARTER 1976.

EXPORT REGULATIONS HAVE BEEN REVISED TO PROVIDE FOR THE REDUCTION OF FUTURE EXPORT QUOTA ENTITLEMENTS OF FIRMS THAT HAVE EXPORTED COMMODITIES IN EXCESS OF AMOUNTS AUTHORIZED BY VALIDATED EXPORT LICENSES OR THAT HAVE MISSTATED THE EXPORT HISTORY ON WHICH ON WHICH THEIR QUOTA ENTITLEMENTS WERE BASED. THIS POLICY, WHICH IS INDEPENDENT OF ENFORCEMENT ACTIONS, WILL HELP RECOUP MATERIALS IN SHORT SUPPLY AND MAKE THEM AVAILABLE TO THE U.S. ECONOMY.

AT THEIR DISCRETION, ADDRESSEE POSTS MAY DRAW ON ABOVE TO INFORM HOST GOVERNMENTS OF CONTINUATION AND MODIFICATION U.S. EXPORT QUOTA PROCEDURES. FURTHER DETAILS CONTAINED IN EXPORT ADMINISTRATION BULLETIN NO. 152 DATED JANUARY 7, 1976 BEING POUCHED TO ADDRESSEE POSTS. KISSINGER

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